

Message Text

LIMITED OFFICIAL USE

PAGE 01 STOCKH 02163 241049Z
ACTION EB-07

INFO OCT-01 EUR-12 FEA-01 SIL-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 XMB-02 ISO-00 /091 W
-----241052Z 019583 /17/75

R 201033Z MAY 77

FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 0641
AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY BERN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY REYKJAVIK
AMEMBASSY VIENNA
USMISSION EC BRUSSELS UNN
USMISSION OECD PARIS UNN
USMISSION GENEVA
USDEL MTN GENEVA UNN

LIMITED OFFICIAL USE STOCKHOLM 2163

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 02163 241049Z

C O R R E C T E D C O P Y (GENEVA & MTN GENEVA ADDED AS INFO ADDRESSES
)

E.O. 11652: N/A
TAGS: ETRD, SW
SUBJ: SPECIALTY STEEL QUOTAS

REF: STOCKHOLM 1181

1. BEGIN UNCLASSIFIED. THE CORRESPONDENT FOR SWEDEN'S MOST IMPORTANT BUSINESS WEEKLY, VECKANS AFFARER, REPORTED AS FOLLOWS IN THE MAGAZINE'S EDITION OF MAY 18. BEGIN QUOTE. THE NEW US PRESIDENT JIMMY CARTER WILL IN ALL PROBABILITY DURING THE SUMMER REVIEW THE QUOTAS FOR IMPORTS OF SPECIALTY STEEL THAT HAVE HIT SWEDEN'S STEEL INDUSTRY, ALREADY IN DIFFICULTIES, VERY HARD.

2. "IT IS CLEAR THAT THE PRESIDENT LEANS TOWARD ABOLISHMENT OR AT LEAST LIBERALIZATION OF THE STEEL QUOTAS," SAYS JOHN DONALDSON, INFORMATION CHIEF AT THE SPECIAL TRADE REPRESENTATIVE OFFICE IN WASHINGTON, TO VECKANS AFFARER.

3. "THE DECISION RESTS WITH THE PRESIDENT, BUT THE REVIEW WILL TAKE A COUPLE OF MONTHS. HE MUST GET THE ADVICE OF THE COMMERCE SECRETARY, THE LABOR SECRETARY, AND THE INTERNATIONAL TRADE COMMISSION."

4. WHEN THE FIRST YEAR OF QUOTAS RUNS OUT ON JUNE 14, THE TRADE BARRIERS WILL BE RENEWED AUTOMATICALLY. THE QUOTAS COVER ABOUT 40 PERCENT OF SWEDISH STEEL EXPORTS TO THE US. NEARLY ALL THE SWEDISH QUOTAS WILL SOON BE FILLED. IN 1976, SWEDEN EXPORTED 52,000 TONS OF SPECIALTY STEEL TO THE US WORTH A TOTAL OF 369 MILLION KRONOR.

5. IT IS CONSIDERED IN EUROPE THAT THE UNITED STATES, BY ENFORCING THIS QUOTA SYSTEM, IS CONTRAVENING THE GATT AGREEMENT AND ITS COMMITMENT TO CONTINUE THE FREE TRADE PRACTICES OF THE OECD.

LIMITED OFFICIAL USE

PAGE 03 STOCKHOLM 02163 241049Z

MENT AND ITS COMMITMENT TO CONTINUE THE FREE TRADE PRACTICES OF THE OECD.

6. LAST WEEK, THE US AND THE EC DISCUSSED THESE STEEL QUOTAS IN GATT, QUOTAS WHICH HAVE ALSO HIT THE STEEL INDUSTRY OF THE COMMON MARKET VERY BADLY. THE EC IS CONSIDERING SOME FORM OF RETALIATION. SWEDEN WILL BE NEGOTIATING WITH THE US IN GATT IN A MONTH'S TIME.

7. THE MAGAZINE UNDERSTANDS THAT THE SWEDISH GOVERNMENT WILL CONSIDER RETALIATING AGAINST US EXPORTS TO SWEDEN SHOULD THE COMMON MARKET CHOOSE THAT SOLUTION. END QUOTE. END UNCLASSIFIED.

8. BEGIN LIMITED OFFICIAL USE. COMMENT: MFA OFFICIAL WHEN ASKED ABOUT ARTICLE'S STATEMENT THAT SWEDEN WILL CONSIDER "RETALIATING", DENIED ANY NEAR-TERM INTENTION BY THE GOVERNMENT. "THE THOUGH IS ABSURD," HE SAID. NONETHELESS, OFFICIAL WENT ON TO SAY THAT THE PROCEDURES UNDER GATT FOR "COMPENSATION" DO NOT APPLY TO THIS SITUATION IN GOS EYES, CONSEQUENTLY

"RETALIATION" IS PERHAPS ONLY WORD WHICH COULD BE USED FOR ANY ACTION GOS MIGHT TAKE. IN THAT REGARD, OFFICIAL REPORTED HIS UNDERSTANDING THAT ECONOMIC POLICY COMMITTEE ON MAY 3 HAD RECOMMENDED TO ITC TO STUDY CONDITIONS UNDER WHICH QUOTAS MIGHT BE ABOLISHED. KNOWING THAT ITC MIGHT TAKE NINETY DAYS, OFFICIAL THOUGHT GOS WOULD DELAY TAKING ACTION PENDING ITC REPORT. HE AND OTHER WERE CONCERNED, HOWEVER, THAT THE EPC DECISION HAD NOT BEEN MADE PUBLIC SO PERHAPS IT WOULD NOT BE ALLOWED TO INITIATE ACTION BY THE ITC. WAS THIS A REFLECTION THAT THE WHITE HOUSE MAY WISH THE QUOTA PROGRAM TO CONTINUE, HE ASKED, RHETORICALLY. END LIMITED OFFICIAL USE.

PERRY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, POLICIES, TRADE CONTROLS, STEELS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STOCKH02163
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770180-0954
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770533/aaaabcf0.tel
Line Count: 129
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 81f8c58c-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STOCKHOLM 1181
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2426393
Secure: OPEN
Status: NATIVE
Subject: SPECIALTY STEEL QUOTAS
TAGS: ETRD, SW, US
To: STATE ANKARA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/81f8c58c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009